



Technology Investment Council



State of Delaware
Technology Investment Council Meeting Minutes
September 13, 2011

Technology Investment Council Attendees

Name	Organization	Attendance	Represented by
James Sills	DTI	Present	
Russ Larson	Controller General	Present	
Ann Visalli	OMB Director	Represented	Kevin Sclesky
Dr. Lillian Lowery	DOE	Represented	Karen Field Rogers
Myron Steele	Chief Justice	Represented	Pat Griffin
James Canalicchio	Dixon Valve & Coupling Company	Present	
Dan Grim	University of Delaware	Present	
Carlos Vieira	Bank of America	Present	
Kris Younger	82 North LLC	Not Present	
Glenn Tascione	Barclay's Bank	Present	

Call to Order:

Secretary Sills called the meeting to order at approximately 9:03 am.

Welcome:

Secretary Sills welcomed everyone, and introductions were made at the Dover and Wilmington Video Teleconference (VTC) locations. TIC members' attendance was noted, as shown in the above table. Others in attendance included DTI Senior Staff, DTI Team Leaders, DOS Representative, IRM Council Representative, DTI Customer Relationship Specialists, DTI Project Managers, and Major Project Managers/Sponsors from DHSS, Courts, and DCYFS.

Old Business:

Jim Sills asked if all the members received and reviewed the June 14, 2011 TIC meeting minutes and requested a motion to approve them. With no comments or questions, Dan Grim made a motion to approve the minutes as written, and Glenn Tascione seconded the motion. With no opposition, the motion was carried.

IT Consolidation Update (ITC): Agency Status ~ Bill Hickox:

ITC is making active progress in several areas. Department of State (DOS): As mentioned in the June TIC meeting, Phase I is complete, which included the DOS Townsend Data equipment and IT staff migration into the DTI William Penn facility. The first portion of Phase II has been completed which included the migration of Silver Lake Complex IT support to DTI. Department of Finance (DOF): The inventory and physical assessment of the systems and infrastructure have been completed. Recommendations were provided to Secretary Cook, and DTI met with him and his team. DOF has agreed on several areas of the recommendations including desktop support, service desk, and infrastructure consolidation. DTI is moving forward with the SLA's and implementation of those areas. DOF had some questions and concerns regarding the applications development portion. A meeting is scheduled Wednesday, September 14, 2011 to continue discussions and to provide updated information to DOF. Department of Transportation (DelDOT): The physical assessment and inventory is complete. The recommendations were completed and delivered to DelDOT. Initial meetings were held last week. DelDOT and DTI are currently discussing the areas of disagreement and working towards a path forward. Department of Education (DOE): DTI has conducted the physical assessment and is currently working with DOE on the schematics and system designs associated with their systems. DOE has ensured their commitment and support towards the completion of these areas. Once complete, recommendations will be developed and reviewed by Secretary Lowery and her team. Delaware Economic Development Office (DEDO): DEDO's desktop and help desk support were transitioned over to DTI. Currently, DTI is

performing the physical assessment and inventory. DTI has met with the DEDO staff, and they are pleased with the progress to date.

IT Consolidation Update: MSP ~ Bill Hickox:

CAI is the vendor for the Managed Service Provider (MSP) program. MSP provides a general contractor for staff augmentation resources within the state of Delaware. This general contractor has 75-80 subcontractors to choose staff augmentation resources from, versus the state having 25 – 50 separate agency contracts. MSP is a mandatory-use contract issued by GSS/OMB. The deadline to transition the existing complement of contractual resources was July 1, 2011. 102 resources were transitioned with a total spend of \$12 million. DTI is currently engaged with CAI and is performing an ongoing analysis, due to a discrepancy between the savings experienced thus far and the original savings commitment. DTI is focusing on the existing hourly rates, tenure, and function of the contractors. Some of the agencies are concerned because they find their contractors to be critical resources. The challenge is that the state has kept these contractors, in some cases, in excess of 20 years. That was never the purpose of a contractor; a contractor was meant to supplement a knowledge base that doesn't exist or ramp up for a short term engagement. However, the State has utilized contractual resources in a much different aspect. This has resulted in the State being much more reliant on these contractors by paying development costs for a resource rather than paying a maintenance type contractor for ongoing support. DTI will continue to work with CAI and the agencies in order to drive down these ongoing support costs. We will work with each agency on a case by case basis.

Secretary Sills ~ We have one of our customers here with us; Rick Geisenberger from the Department of State. He is the first agency we've engaged with for over 4 ½ months. Are there any comments you would like to make about the IT Consolidation?

Rick Geisenberger ~ I think we have been engaged in the discussions for over a year and half. One thing that was not mentioned as part of IT Consolidation was an informal arrangement; we took our Development Programming staff that was dedicated to our department and we kept them physically located in our offices, but they report to DTI's Applications Development group. It has been going very well and ensures that our people continue working on a day to day basis at DOS and are knowledgeable about our business. And they also are working with DTI, participating in their team meetings, understanding standards, and getting rid of the miscommunications that have occurred for decades. I see IT Consolidation as something that can take lots of different forms; we took one approach with our data center, a different approach with our desktop support staff, and a third approach with our programming staff. DTI and OMB have been very flexible in how we are handling various employee issues. I feel it is going well. The key is going to be ongoing communications. It takes awhile to build the culture and we are getting there. That's the biggest challenge from my perspective. You can't go into it assuming the culture will change on a dime either on the business end or DTI's end. Cultures will blend and mesh, and we will come up with something even better than we had before.

Bill Hickox ~ The success associated with this has a large part to do with the efforts of Lisa Wragg and her continuous communication with the resources on both sides. She has done a tireless effort and it is very much appreciated.

Secretary Sills ~ We agree. Thank you, Lisa.

IRM Engagement ~ Mike Hojnicky

In an effort to strengthen and improve our relationship with the IRMs, DTI held an offsite Executive Branch IRM Briefing on March 2, 2011 at Buena Vista. A follow up meeting is scheduled on September 20, 2011. This meeting will be the same format as the March Briefing and will include the Executive Branch IRM's, DTI Leadership, and DTI Team Leaders. It will be an open forum and include relaxed dialog to update the IRMs on key topics such as the IT Consolidation and Strategic Planning. DTI reached out to the IRM's with a survey and asked for their input on strategic plan ideas. DTI's intention is to understand the agencies' key business drivers and learn what technology initiative they are planning or considering. DTI is currently in the process of taking the IRM's input and incorporating them into our Strategic Plan.

Secretary Sills ~ Mike, were there any themes or examples that you would like to share with the TIC?

Mike Hojnicky ~ From the customer business perspective, there was an increase for customer demand; everything from on-line services to social media. Some agencies say they would like to get real time updates out via social media. Also, federal mandates, especially in the healthcare arena. Data sharing was another common theme across the agencies and leveraging different technologies for efficiencies.

Deb Lindell ~ How do we engage people like the Courts and the DOJ that are not represented at the IRM Briefings and weren't given the opportunity to participate in the survey? Are we sending CRS's out to engage them as well?

Mike Hojnicky ~ Yes, in fact we are planning to sit down with the Courts and CJC to understand more of what they are doing. We are doing outreach in these other areas. K12 districts are a little more challenging.

Information Security Program Update ~ Danka Prilepkova

Effective September 1st every state employee that works for an Executive Branch Agency, and has an email account, is required to complete Information Security 101 Computer Based Training within 30 days of employment. This training will provide useful information to the employee about reducing security risks and protecting sensitive information. The pilot will be completed this month and will have included over 5,100 users. Upon completion, recommendations including feedback from the pilot participants will be made to Director Visalli and Secretary Sills.

Mike Hojnicky ~ This training is for new hires, correct?

Danka Prilepkova ~ Yes

Every State agency has completed their network vulnerability scanning. Vulnerability scanning provides the means to greatly enhance the security of the infrastructure and data on the state network. The Information Security Officers (ISOs) have the means and application to meet the policy requirements, which states that their networks have to be regularly scanned. Personally-owned blackberry users were disconnected from the State network. This change was required to close potential security vulnerabilities and reduce the risk of leaking sensitive data. The connection can be easily reestablished once the device has been configured to accept our security policy. Delaware has been selected to move to Phase 2 of the Community Cyber Security Program. This program is an entity that helps states and communities establish a single security program, which is done through training processes, technology, exercises, and various methods. It provides a yard stick to measure where an organization is and acts as a roadmap for states and communities to determine what needs to be done to improve the current status. Lastly, it serves as a point of reference for individuals to discuss cyber security in states and communities. This program will extend the training and exercises that DTI offered in 2009 and 2010 to the greater Dover and Wilmington areas. Delaware selection was based on the overall attendance and leadership involved in Phase 1. Delaware was the only state that was selected for Phase 2.

Pat Griffin ~ Is Phase 1 where you were located in Dover and Wilmington or is that what Phase 2 is going to be?

Danka Prilepkova ~ Dover and Wilmington were involved in Phase 1 as well.

Pat Griffin ~ Will Phase 2 be a broader group? And have you decided what areas it will include or is it too preliminary?

Danka Prilepkova ~ Yes, Phase 2 will be broader, and it is too preliminary to determine what areas are going to be included.

Secretary Sills ~ I would like to make a couple of comments about the CBT tool; it is 8 modules and it takes about 1 ½ - 3 hours to complete. You read in the newspaper all the time about various security breaches; the hacking and the wiki leaks. There are groups out there that are concentrating on government and other entities to penetrate their networks. But employees are one of the main causes of security breaches, so this tool will help educate the employees on physical data protection, password security, data breaches, encryption, just to name a few examples. This is very important. We are starting with new hires, but eventually every state employee will take this training. The last time we met in June, Carlos Vieira mentioned the possibility of having an opt-out feature when taking the test. We are in the process of trying to implement that; if you score 80% or higher, you don't have to take the test any further. This training is a reminder to make people aware of the risks associated with leaving your password on your desk, not destroying documents or sending out an unencrypted email with a social security number in it. It is a matter of educating our workforce on the dangers of cyber security.

Rick Geisenberger ~ How are agencies getting involved in this pilot? There is a central HR and each agency has its own HR department and has different processes for hiring and putting people through orientation.

Secretary Sills ~ We partnered with OMB and the HR Roundtable, so we were able to talk to each of the HR representatives in every agency. Ann Visalli and I sent out a memo about this program to all the Cabinet members

and division directors. Elayne Starkey and I met with 6 Cabinet Secretaries to encourage their participation in the pilot. This is how we were able to get the word out.

Carlos Vieira ~ What timeframe do you expect to have this program out to everyone?

Secretary Sills ~ I believe we are trying to get this up and running for everyone by the beginning of the year.

Major Projects Update:

Delaware Background Check System (DBCS) ~ John Glauser (DHSS)

Long Term Care providers and employers are required to do background checks on their applicants and DLTCRP (Division of Long Term Care Resident Protection) is required to audit those background checks. This project will create a system that puts all the registry checks into one system. There are 13 different interfaces that need to be incorporated into this one system. The DBCS project is funded through a two year (10/1/2010 – 9/30/2012) Federal Grant from CMS of the U.S. Department of Health and Human Services. Yale New Haven Health Systems will develop the DBCS for DLTCRP and has been working on this project since August 8, 2011. Yale New Haven Health Systems created the system for Michigan and has been up and running for about 4 years. Michigan will be used as a basis for creating the DBCS system. A working group from the Project Advisory Board is developing legislation, and the full Advisory Board will be meeting on September 15th to approve two legislative packages. DLTCRP obtained an additional \$45K from CMS for a grant total of \$3 million for use by the project. The project has a budget of \$3 million and has spent \$207,000 as of August 31, 2011.

Issues and Risks: Difficulties integrating 13 different interfaces and data sources into a single system, DHIN restructuring, DHIN changing contracting vendors, and multiple legislative packages required to enable the use of the dashboard.

Upcoming Activities: Currently in the project planning phase and refining requirements by September 23, 2011; construction begins September 26, 2011; staggered production implementation will be completed by September 30, 2012.

Matt Payne ~ What is the legislation?

John Glauser ~ One of the features for legislation is about the grandfathered employee. Back in 1999 when background checks came into being, if you were a Long Term Care employee at that time you did not have to go through a background check. We are trying to get those people included. We are using the Bradley Law as a basis for that because all doctors have to go through a background check; there is no grandfather law for doctors. So we are using that as a precedent to get those grandfathered employees into the system. There are a few smaller things like redefining the word ‘applicant’ and things of that nature.

Deb Lindell ~ I was reading about the 13 separate interfaces. We have a lot of different interfaces that we work with everyday and we are constantly striving to make them more efficient. I was wondering if you explored other opportunities to not actually interface these systems and create a repository for your registry checks, but to bridge these systems in another way, like a view-only method. Trying to write 13 interfaces must be an unbearable burden to coordinate. The state of Maryland created an entire criminal justice system using a read-only tool from Oracle, and they opened it up to the entire state for \$2 million. I was just curious if you have explored any of those opportunities?

John Glauser ~ We did not explore other opportunities. One of things that came about early on in the process is that there may be other agencies that will want to use the background check system, so we are creating this in a modular fashion so that each of the 13 can be merged into one system. Other agencies will be able to take pieces of the registry that we are looking at and put it into their system without having to create anything new. We are trying to create a modularized instruction.

Deb Lindell ~ You are not trying to create a new repository for that data?

John Glauser ~ We will store the data that has been searched. If you do an adult abuse registry or a sex offender search then the data that comes back will be stored in our system. But we are leaving the adult abuse and sex

offender registry alone. They will still maintain their data and will still function as a separate entity. If anybody else wants to use that data they can; that is why we created it this way.

Deb Lindell ~ My understanding of the project was that this would facilitate the searching across those 13 databases so that someone would only have to do it once, is that correct?

John Glauser ~ Yes, that is correct. We are actually doing it in two phases; one is going to be a quick check and there are about 3 or 4 that you can set for them with some additional funds from the providers to perform the checks.

Matt ~ We have items that we discussed in the Major Project Review; one was a discussion about the ongoing cost...

John Glauser ~ We actually have the funding and we have budget for the first year support. We are going after some additional legislation next year to have the system be self funding.

Matt Payne ~ And the scanners?

John Glauser ~ We are doing away with the scanners. We have another solution that will not have paper stored in the system.

Carlos Vieira ~ Relative to the legislation you mentioned earlier, does it affect your timeline at all?

John Glauser ~ We can move forward with the legislation that is now in place. We don't really need the grandfathered employees, but it is good to have. Then we would have a full picture of all the providers and employees. But we can move without it.

“FACTS II” Family and Child Tracking System, II ~ Laura Miles (DSCYF) and John Glancey (DSCYF)

The Department of Services for Children, Youth, and Families (DSCYF) has created an integrated business model which depicts core business functionality. This model has some limited use of web-based infrastructure with provider and staff access. FACTS II plans to expand that use. The current system, FACTS, is dependent on one vendor and is written in a declining technology which is not widely supported. FACTS II is expected to have system flexibility for maintenance and modification utilizing industry standards and widely used technologies. The contracted project manager is hired and is in place, and the quality assurance contract is being prepared for Federal review and approval. This contract will be sent to the Federal ACF partners in mid-September. As part of the due diligence in evaluating the selection of the DB&I vendor, a team of the department staff traveled to view the .Net system in Washington D.C., which is the lead vendor's transfer solution. The lead vendor has returned to the State for more in-depth reviews and discussions of their proposed solution. DSCYF has reached out to the lead vendor to obtain their view of the skill set necessary to support the project beyond the one year warranty period. The next steps include assessing the departments' in-house skills and the departments' needs. A staffing strategy has been developed in support of the FACTS II project. The plan outlines 10 strategies to aid staff participation. The next step will be a plan consult with OMB and HRM for their concurrence.

FACTS II issues and risks: Staffing constraints within the department due to competing priorities over the life cycle of the project; Stakeholder data sharing - conducting an in-depth review of the interface needs across the department and reviewing the merits of the National Information Exchange Standard. The department is also reviewing DTI standards to ensure alignment; the lead transfer system requires more significant development. The staff performed extensive reference checks on the DB&I vendor. The staff traveled to review the solution, and the lead vendor responded to detailed questions and concerns about their proposed solution. These questions were identified by the onsite visit to ensure they will precisely meet the departments' requirements. The dedicated project staff have reviewed the existing and desired functionality and mapped it into the high level structure embodied in the new proposed solution.

Carlos Vieira ~ Looking at your risk on needing more significant development than initially thought, will that impact the budget and timelines?

Laura Miles ~ We are assessing that right now. The key area that seems to be the pivot point is related to our Division of Prevention and Behavioral Health and their case management needs and the medical records arena. We expect to have the lead vendor to submit details about how they expect to meet our requirements, and we will not know until the end of this week as to how it will impact the overall project budget.

Secretary Sills ~ I want to go back to the stakeholder data sharing. Have you presented those standards to either one of the two potential vendors? In terms of figuring out if they can meet the timeline and all the interfaces between the 14 different agencies? Have they come back to you with a price and a commitment that it can actually be completed?

Laura Miles ~ Yes, they are aware of all the interface requirements embodied in our project, and they have delineated that in their proposal. They are keenly aware of the scope of our interface needs. They are quite extensive and have some experience with their solutions in other states. They interface with those same partners as it relates to the transfer system that they would be bringing to our state.

John Glancey ~ That said, they have the emerging interface standards, but I don't believe they have completely digested those yet. We would anticipate hearing back in the same time frame.

Secretary Sills ~ For everyone's information, this is a very complex project and it is going to require customization of 60 – 70% of the code developed specifically for this department. When you have a percentage that high there is a potential for a lot of risk and issues to occur. Matt and I are participating in their monthly Executive Sponsors meeting and have talked with their project manager. The Kid's Department is trying to narrow it down to two vendors; they did go back and really refined their requirements. I asked Secretary Rapposelli for a second meeting to get an in-depth update in terms of where you are since we met 30 days ago.

Matt Payne ~ Has a technical lead been chosen?

Laura Miles ~ Yes, we have an identified a technical lead, which is a member of our department's staff.

Russ Larson ~ Why do we have 60% change to our system? What is so different about Delaware?

John Glancey ~ The composition of the agencies: Delaware has Child Welfare, Juvenile Justice, and Prevention of Behavioral Health Services all rolled into one agency. That is different than the bulk of the country. You will find that in several other jurisdictions, but not very many. Delaware is also state-run and state-administered. A lot of jurisdictions are state-run and county-administered. In those models, half of family services staff would be county employees, and they would be on separate systems that interfaced to a larger state system. A lot of that speaks to Delaware's size.

Russ Larson ~ When we looked around for other states that might have this system, did we look at states like Hawaii or one that is all state-run?

John Glancey ~ We basically left that up to the vendors based on our requirements to propose the best transfer that would be the best fit for Delaware. We did not undertake that endeavor ourselves.

Laura Miles ~ John is correct, we have uniqueness in that our enabling legislation speaks to integration that many other states only have the overlay of Child Abuse, Neglect and Juvenile Justice. Traditionally, they do not include the mental health component where the three are united. But we thought ahead with those items in mind and have detail written out how we can integrate those structures. We laid a schema out in terms of how we can overlay those three service divisions. We do have some common themes that do unite us very precisely. We were bound by the Request for Proposal and the submissions. I can tell you that the two lead vendors have experience across the nation in working in the child welfare arena. We are also bound by the state-automated child welfare information system requirements. We looked at how those states fair in the question process of whether they are fully approved and up and running.

Russ Larson ~ I get the feeling this is going to be one of the vendors or contract managers that will be around for a very long time. I think Bill Hickox addressed that earlier. I can't see ever getting rid of the vendors on this when we are writing 60% of the code.

Laura Miles ~ The one point I can make is that the current lead vendor is planning to partner with the existing onsite FACTS vendor that has written the code for our FACTS detail. We believe strongly in those two entities working together; they will be able to create the Legacy so that we can search the FACTS system and move to the new integrated model.

John Glancey ~ In terms of support and effectively being wedded to a vendor for life; we are sensitive to that, however in the child welfare arena what we are looking at is a transfer system, which is what the Federal

government generally likes to push and fund. And a large portion of our funding is Federal. These systems were custom written to begin with; they are not packages. There are virtually no packages to speak of and I would venture to say that is because until several months ago that was frowned upon by the Federal Government. You could get half your money if you developed a custom build or transferred it from another state. You could get nothing if you bought a package. I am not sure exactly why that is, but it was written in the ACF regulations. I suspect there is a stifled growth of packages in the child welfare arena because every state out there is looking for Federal money to build these things.

Matt Payne ~ Do you have the ongoing support model defined?

John Glancey ~ We are working towards it; we do not have the details. We are looking at a support model similar to what we have now. We would like to replace some of the contractor staff with some of the in-house staff. Not necessarily the low level programming staff, but we would certainly like to take on the architectural and system admin type functionality in-house. We feel if we can do that and build up enough knowledge of how the system is assembled, we can competitively get programmers and guide them. That is the direction we are going. We don't have the details worked out yet.

Matt Payne ~ So when a decision is made, we probably need to make sure that it is part of the bidding process. If we decide to take on the parameters that we can change ourselves, but leave the core development to a third party then we will want to lay it out over a three year time period. Also include what that is going to be, what we are going to get for that, how many releases we should have, and how many man-hours. We need to have an agreement because the dollar figures associated with the support could be significant. Looking at the whole picture is the way you will want to go as opposed to the one-time set up and separate on-going support. The vendor is going to get that money so we might as well get it all on the table at once and have everything in their hands to get the best deal.

John Glancey ~ The RFP did include a knowledge transfer component which is bid in the proposals. Again, the details are not there, they would have to be worked out during contract negotiations, but the framework is there to do that.

Matt Payne ~ One of the critical things in the knowledge transfer piece is the identification of the people you have on staff and their roles so you can put together a specific knowledge transfer plan as opposed to the vendors generic plan. I like the level of detail the team is moving closer to than they were a few months ago. At some point you may need to reevaluate the two finalists and have them rebid.

John Glancey ~ I am not sure we are going to rebid it per say. We have zeroed in on one vendor and we are certainly going to get those costs identified, see what they look like, and go from there.

Carlos Vieira ~ What is the timeline for this project?

John Glancey ~ End of fiscal year 2014.

Li Wen Lin ~ The total dollars encumbered, does that include personnel costs?

John Glancey ~ No, it does not include our internal personnel costs.

Li Wen Lin ~ Does it include contractual personnel costs?

John Glancey ~ Yes, it does.

Li Wen Lin ~ Do you plan to track the internal personnel costs?

Laura Miles ~ We have dedicated a fiscal point person to detail and delineate all the costs associated with the project, and that will include that component.

DACSES Replacement Project – Midge Holland (DHSS) ~

The DACSES project is in its second year of implementation. The planning phase is complete, and the review of the functional design documents is taking place. The Child Support system is complex; it represents the entire case management as well as the financial management structure for approximately \$96 million of child support a year. Most of the components are federally mandated and have to be customized for Delaware. Only two of the functional

design documents are complete at this time, and nine are in various stages of review. The technical design documents are being developed in parallel with the functional documents. Three technical design documents have been submitted; the other nine are awaiting the completion of the rest of the functional design documents. As a result, development has not officially begun. The developers are looking at the transfer code and the documents as they are being developed. Conversion is ongoing; this includes converting 27 years of data from the legacy system to the new system. This is another complex process which involves data mapping, clean up of legacy system, and deciding on business rules and conversion strategies for the data. User acceptance testing phase is being prepared by using a case analysis to identify the specific cases and types. Scripts are being developed based on the preliminary function designs. Planning for training has also begun. An Organizational Change Management team is part of the project, and their principle objectives are to work with the implementation vendor to prepare users for training, to identify remedial needs, and to identify the various business areas that need to be trained in specialized uses of the application. Total project budget is \$70 million. The statement that the \$62 million increase from estimates is strictly from infrastructure added for hardware and software is not true. There was additional hardware and software that was added to the Biggs Data Center, and the IRM used additional software in order to support the application. These items did increase the cost. However, they are not the total reason for the increase in the cost estimate. The second baseline schedule was achieved in June. As a result of both the addition of some functionality and barriers with trying to accommodate schedules and planning, the data sharing has been more complex than anticipated which has caused delays. Therefore, the go-live date has been pushed back to October 17, 2013, but the goal is to have it delivered by October 1, 2013.

Outstanding issues have to do with the data share partners. DHSS has been working very closely with the DOS, DOL, the Kid's Department, and Family Court to identify all their issues. Additional time has been spent with those partners to ensure effective and appropriate connection to the system moving forward. Child Support is adding functionality in the new system to make it more robust. All partners are operating with fewer staff. In an effort to identify opportunities to make the staffs' jobs easier, locate functions and next step case processing are being automated, imaging is being incorporated, and more information is being pulled as data is being shared electronically. This project is subject to a semi-annual Federal audit with an independent validation verification process. The Federal Office of Child Enforcement participates in the audit. The project has been contracted out to KPMG. There have been no surprises with the two audits that have been conducted, and all but one finding from the first audit was effectively addressed. The three findings that were identified in the second audit are currently being corrected. KPMG will conduct their third audit in October. Moving the schedule back to October has provided advantages, but it has increased the overall project cost. These increased costs include: the increased costs associated with the implementation vendor providing additional functionality to the system; the costs associated with extending the contracts of the professional management vendor that runs the PMO and assists in the management of the project and implementation vendor, the quality assurance vendor who is responsible for assessing the quality of the project management and implementation vendor efforts, and the contractors that were hired to fill the gaps in skill and experience to support the project needs. Although the overall costs have increased in those areas, the project structure, project plan, and time table are now well-defined and will help achieve the projects' goals.

Pat Griffin ~ What was the original date?

Midge Holland ~ The vendor bid 30 months from start to implementation. We started on June 1st, so the original date would have been December of 2012.

Carlos Vieira ~ You had some savings that you say you were looking for in the system; people, time, etc... are those documented in the requirements to make sure they get in your test plan?

Midge Holland ~ We have a quality assurance plan that has metrics. Those will be measured immediately at implementation; then at 6 months and year after implementation to see if we achieved our performance goals. The Child Support System is a performance based system and we get reimbursed by the Federal government partially on our performance. So we are going to be looking to see if we are able to increase our performance in the key areas the Feds measure. We are gathering metrics now, through our annual reporting, that will measure our key points throughout and post implementation period.

Carlos Vieira ~ You mentioned you have a PMO and QA vendor; I assume they are working very closely together. You obviously have some pretty significant moves, timeline and costs; do your contracts with them ensure that you don't have those going forward any further...that they have "skin in the game" relative to those particular items?

Midge Holland ~ All three vendors I would say "have skin in the game" in that we are working very closely through a very carefully controlled change request process to approve the increase in costs. We negotiated hard with our

implementation vendor on those things so that while we are not laying fault, per say, we are looking to see very carefully who is responsible and how better we could have managed each of those things. The same goes for the Quality Assurance and Project Management Office; they don't stay just because they want to stay. The IV&V vendor looks closely at the performance of each of those entities as it relates to supporting the State and their efforts. The other issue too is that there is a staffing plan which allows us to ramp down in any of those contracts as the need prevails. We will be looking immediately post implementation at ramping down wherever we can on both Quality Assurance and Project Management so that we have the adequate number of individuals. We are not planning to keep everyone on for the duration.

Charles Hayward ~ Let me add there were a couple of things that impacted the project at the very beginning. In our staffing plan, we had a lot of the folks identified that were going to be working on the project. Unfortunately, we lost a lot of those people on June 30, 2009, because they all retired. What we did find in talking with other states is to make sure we had staff augmentation in our contract. At the beginning of the project we had to use additional folks through the PMO because we just did not have the staff to put on the project. Also at the same time from about the end of 2008 until now, our case load has increased from 58,000 to 72,000. We have had to take people off the front line to dedicate to the project at the same time our case load has increased. We had to make up some of those differences in the lack of staff through our staff augmentation contract. Those costs have been built in; we know what they are, and we don't see those increasing at any rate.

Matt Payne ~ The Feds are funding two-thirds, is that correct?

Midge Holland ~ Yes.

Matt Payne ~ What is the total amount that the budget was increased?

Midge Holland ~ We are looking at \$74 million total funds. The state share has increased to \$25 million from an original estimate of \$21 million.

Matt Payne ~ So the State's piece has increased \$4 million which means the Feds piece has increased \$8 million. Is there any risk that they can come back and say they are not going to continue to match the 2/3 piece if the price goes up, or is that locked in? I am not very familiar with how that works.

Midge Holland ~ We do an advance planning document update every year that we are working on now. The preliminary feedback we have gotten back from the Feds is that they have been surprised that our estimates were so low, because the experience of other states has been higher. I think we are still within the reasonability test for them, and they have given no indication that they are concerned about the increases as long as we have the appropriate project management strategies in place.

Matt Payne ~ Did something actually transpire that they officially agreed upon the incremental \$8 million? How did that work? Is it no news is good news or was there an official agreement to pay the \$8 million?

Midge Holland ~ We have had discussions with them, but we will be submitting our advanced planning update document within the next 30 days, and that will be the official approval. We keep them apprised pretty closely as we go along and they are monitoring our spend. They monitor through both IV&V and through our Federal financial reporting. I have no indication that there is going to be a problem.

DCAP – Marianne Kennedy and Pat Griffin ~

DCAP project is proceeding with a change in direction by moving away from the vendor that provided the civil system to doing in-house development for the criminal system. An incremental approach is being used by building different portfolios for criminal application and leveraging the existing technology already in place for the courts. The civil system, an extensive Oracle-based system, Software AG tools, and databases are available to provide significant functionality. The plan is to leverage all of these items into the criminal system. The project leadership is in place; Dale Matthews has recently joined as the Project Manager. Also, a technical lead and functional lead has been defined to move the project forward. Negotiations are still taking place with ACS to close out the contract. Final numbers have been agreed on, and this week the draft closure contract was received from ACS. It needs to be reviewed by the AG's office before it is finalized. There are still outstanding deliverables from ACS, so it is necessary to ensure that these items are delivered while negotiating the close of the contract. ACS will continue to maintain the existing civil system. Therefore, an on-going relationship will remain with ACS. Negotiations with Software AG are underway for time and materials contract. Software AG will work with the staff to utilize Software AG tools to move in this new direction. This

will be an internal custom development with JIC staff. The first year will be a heavy influx with support from Software AG in teaching how to use their tools and providing a knowledge transfer as they help to build the first portfolio of this project. The schedule for the first portfolio has been developed, the other portfolios and end state have been defined, central locations have been established for all documents and communication plans, a risk management and resource communication plan has been developed, and the additional technology infrastructure needs are being addressed. The project spending plan has been developed, and of the \$15.7 million budgeted, \$12.5 million has been expended. There will be detailed portfolios that will be put into place for the criminal project. They will be completed incrementally in a 12-month time frame. The first portfolio will be completed by October 2012 which involves several deliverables. The final portfolio will be put into place in December 2015. This will give the staff time to be brought up to speed and move into a completely new direction.

Pat Griffin ~ I just want to add when we say move in a new direction it's from our original plan which was to use the ACS vendor. We are actually taking what we have, building on it, and modernizing it. It is not taking a whole different approach. I just want to clarify that we are not starting over.

The total project funding available is \$3.57 million. The first year projected expenses deal with portfolio 1, which has the bulk of the expenses at \$2 million to take into account the completion of the ACS contract. The following year's expenses are estimated at about \$500,000 for contractual services that include the knowledge transfer from the vendor and the remainder of the project. For project purposes, the plan is to stay within the project means as well as include any other funding that can be saved from our own agency budget. These expenditures are based on portfolio schedules, resource compliment requirements, and development effort needs. There is significant realignment occurring in the technology area of the courts because of the custom development and realignment of the JIC staff. There is a big learning curve and a lot of training occurring, in addition to significant risk associated with this major organizational change. Another major risk is the negotiation of the closure of the ACS contract and the ramp up of support from Software AG. The negotiations have caused some delays. Upcoming activities include completing the contract negotiations, on-going technical training on the new tools, implementing standard development tools, putting into place mechanisms to manage the effort moving forward, establishing metrics for each of the portfolios, putting into place the non-production architecture to get ready for testing and training, and reorganizing JIC and technical group. There will be oversight by an outside auditor; the National Center for State Courts will be coming in to monitor and be an independent reviewer of the project.

Li Wen Lin ~ Does the funding include hardware and software expenses?

Marianne Kennedy ~ It does include some. Software AG tools are tools that are available to us through DTI so they aren't any additional expenses for them in terms of upgrading. At this point we have hardware in place. We are looking at upgrading some of our servers, but since we have such a solid infrastructure, at this point, we have not mapped out the cost for those items.

Dale Matthews ~ Part of the previous expenses included hardware purchases. We are also having some discussions with our technical lead to understand if there is going to be any expected purchases without dating ourselves. We will come back to the table in terms of verifying those expenses, but we think we have enough flexibility in our own budget internally to cover that.

Pat Griffin ~ We mentioned our servers - You know better than I do that technology and hardware you have to be replaced over time. Some of that is over 12 years old. It is an on-going issue.

Russ Larson ~ If you look at these four projects they total about \$115 million; all of them include Federal funding, I believe, but do any of them require additional funding from the State or are they all fully funded?

Pat Griffin (DCAP) ~ We have clearly mapped out our budget that we expect to meet and do not expect to need additional funding. Part of that is we are modernizing what we have so we are not going out to a new vendor and creating a new system, which would be a huge cost. We are taking what we have and making improvements over time.

Midge Holland (DACSES) ~ We have a request in for \$4 million for 2013 with a total of \$8 million to complete.

Laura Miles (FACTS II) ~ We do not need additional funds at this time.

John Glancey (Background Check System) ~ The grant was for \$3 million, and we got that from the Federal Government. The state has to pony up \$1 million for salaries and other things.

Secretary Sills ~ I have a question related to the vendor ACS; in terms of our negotiations with ACS, is our target not to exceed \$940,000? Or are there some additional dollars required over the amount listed here?

Pat Griffin ~ No, the numbers are complete. What we are waiting for was the written document that lays out the number. The actual number itself was agreed upon by ACS.

Upcoming Meeting Dates:

Tuesday – December 13, 2011(VTC)

Tuesday – March 13, 2012 (TBD)

Tuesday – June 12, 2012 (TBD)

Tuesday – September 11, 2012 (TBD)

Conclusion ~ Secretary Sills:

Secretary Sills thanked the members for their participation and informed the Council that the next scheduled TIC Meeting will be on Tuesday, December 13, 2011. It will be held in two video teleconference locations in the Dover and Wilmington.

Adjournment – Secretary Sills:

With no further business to be conducted, Russ Larson made the motion to adjourn, and Pat Griffin seconded the motion. With no opposition, the motion was carried. The meeting was adjourned at approximately 10:31 am.

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